



FY2021 CLASSIFICATION HEARING

Prepared for the Town of Carver Selectboard

December 4, 2020

Town of Carver

Fiscal Year 2021 Classification hearing

- Board of Assessor's
 - *Michael Paduch, Chair*
 - *Ellen Blanchard, MAA*
 - *Peter Sullivan*
- Finance Department
 - *Meg LaMay, Finance Director*
 - *Craig Schoaf, Assistant Finance Director*
 - *Gail McAleer, Assessing Consultant, Paul Kapinos & Associates*
- Selectboard
 - *Sarah Hewins, Chair*
 - *Robert Belbin, Vice-Chair*
 - *Mark Townsend*
 - *Jennifer Bogart*
 - *Jim Hoffman*

Purpose of the Classification Hearing

- The Classification Act requires all municipalities to classify all real properties into four categories: Residential, Open Space, Commercial or Industrial.
- Today, the Selectboard will review, discuss and vote on 4 items
 - *Residential factor, open space discount, residential exemption, and small business exemption*
- One change in procedure for FY21, the Classification Hearing notice does not have to be advertised in a local newspaper. A posting in accordance with Open Meeting Law is sufficient for this year only, according to the Department of Revenue.

Residential Factor

- Since 1982, the Carver Selectboard has voted a residential factor that creates a split tax rate.
- This shifts a percentage of the tax burden from the residential and open space property classes to the commercial, industrial and personal property classes.
- For the last two fiscal years, the Selectboard has adopted a 145% shift in the levy.
- The Board of Assessor's voted unanimously to recommend a residential factor of **0.910158** which corresponds to a 145% shift
- The residential factor sets the residential and open space tax rate of **\$16.94** and the commercial, industrial and personal property tax rate of **\$26.99**

Carver FY21 Tax Classification Analysis

Percent Shift	CIP Shift	Residential Factor	Residential/Open Space Rate	CIP Rate
140%	1.40	0.920140	\$17.13	\$26.06
141%	1.41	0.918144	\$17.09	\$26.24
142%	1.42	0.916147	\$17.05	\$26.43
143%	1.43	0.914151	\$17.01	\$26.62
144%	1.44	0.912154	\$16.98	\$26.80
<u>145%</u>	<u>1.45</u>	<u>0.910158</u>	<u>\$16.94</u>	<u>\$26.99</u>
146%	1.46	0.908161	\$16.90	\$27.17
147%	1.47	0.906165	\$16.87	\$27.36
148%	1.48	0.904168	\$16.83	\$27.55
149%	1.49	0.902172	\$16.79	\$27.73
150%	1.50	0.900175	\$16.76	\$27.92

Carver FY21 Tax Classification Analysis

Table 1. Total Taxable Valuation by Class and Yearly Comparison

Class	FY21 Value	% Total Value	F20 Value	% Total Value	% Change
Residential & Open Space	\$1,249,756,566	83.36%	\$1,172,654,548	82.38%	6.57%
Commercial	\$103,794,407	6.92%	\$102,706,902	7.22%	1.06%
Industrial	\$37,354,577	2.49%	\$36,177,320	2.54%	3.25%
Personal	\$108,363,740	7.23%	\$111,962,840	7.87%	-3.21%
Total	\$1,499,269,290	100.00%	\$1,423,501,610	100.00%	5.32%
				\$ Change	
Tax Levy	\$27,905,224.64		\$27,079,814.00	\$825,410.64	3.05%
New Growth	\$282,448		\$542,614	(\$260,166.00)	-47.95%
RES Tax Rate@ 1.45 Shift	\$16.94		\$17.19	(\$0.25)	-1.45%
Average Single Family Value	\$350,800		\$329,300	\$21,500	6.53%
Average Single Family Tax Bill	\$5,943		\$5,661	\$282	4.98%
CIP Tax Rate@ 1.45 Shift	\$26.99		\$27.58	(\$0.59)	-2.14%
Average Commercial-Industrial Value	\$509,500		\$500,600	\$8,900	1.78%
Average Commercial-Industrial Tax Bill	\$13,751		\$13,807	(\$55)	-0.40%

Residential Exemption

- Shifts the burden of residential tax from full time residents to part time residents
 - *The shift would occur within the Residential property class*
- Carver has very small number of parcels owned by part time residents
- Part time residents typically place fewer demands on municipal services
- It would provide little to no relief to full time residents
- Mainly used in the Boston/Metro area along with the Cape & Islands because of the high number of part time residential parcels and non-resident buildings such as large apartment buildings
- Only 15 municipalities utilized the Residential Exemption in FY20
- The Board of Assessor's voted unanimously to recommend denial of the Residential Exemption

Open Space Discount

- This would shift the tax burden from the open space property class to the residential property class.
- Carver has no properties classified as Open Space
- Only 19 municipalities in FY20 had properties listed as open space
- Only 1 municipality in FY20 voted for an open space discount
- Open Space qualifications are determined by the Assessors and vary from municipality to municipality
- Because there are no parcels classified as Open Space, the Open Space Discount is moot for the Town of Carver
- The Board of Assessor's voted unanimously to recommend denial of the Open Space Discount

Small Commercial Exemption

- State legislature created exemption in 1994.
 - *Allows the Selectboard to exempt up to 10% of the assessed value of commercial properties assessed under \$1,000,000 with businesses occupied by fewer than ten employees*
- This would shift the tax burden from those exempted businesses to other commercial businesses which do not qualify
- Many questions remain about this exemption
 - *As special use properties, Chapter land does not qualify for the Small Commercial Exemption meaning the burden would be shifted to Carver farmers*
 - *Unreliable data from the State*
 - Municipalities “must rely exclusively” on the information coming from the State
- 14 municipalities currently have a Small Commercial Exemption
- The Board of Assessor’s voted unanimously to recommend denial of the Small Commercial Exemption

Motions for the Hearing

- Residential Factor
 - *“Motion to approve the residential factor of 0.910158”*
- Residential Exemption
 - *“Motion to not grant a residential exemption”*
- Open Space Discount
 - *“Motion to not grant an open space discount”*
- Small Commercial Exemption
 - *“Motion to not grant a small commercial exemption”*

Documents to be signed

- LA-5
 - *The Selectboard and the Board of Assessor's must sign this document*
 - A paper copy and electronic copy, via Gateway, are required by the Department of Revenue
 - We will pass around a laptop and the paperwork for the Selectboard and Board of Assessor's to sign
- Tax Rate Recap
 - *The Board of Assessor's must sign this document*
 - This form is signed electronically through Gateway
 - We will do this after the Hearing



THANK YOU

